

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF PUBLIC WORKS MEMBERS

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NOV -8 PM 2:42

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OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012
(213) 978-0261
(213) 978-0278 Fax

ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpwlacity.org>

October 28, 2013

#1 BOS/BCA

Mayor Eric Garcetti
Room No. 305
City Hall
Attn: Mandy Morales

Subject: AUTHORITY TO EXECUTE AMENDMENT NO. 3 TO PERSONAL SERVICES CONTRACT NO. C-106805 WITH R & G FANUCCHI FARMS FOR THE CUSTOM FARMING OPERATIONS OF THE CITY OF LOS ANGELES' GREEN ACRES FARM

As recommended in the accompanying report of the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works requests approval and forwarding to the City Council for approval and authorization to execute Amendment No. 3 to Contract No. C-106805 with R & G Fanucchi Farms, to increase the contract ceiling from \$26.3 million to \$55.19 million (special funding available from Sewer Construction Maintenance and Operation) and extend the contract for five years with an option to renew for additional one term of three years.

FISCAL IMPACT

This contract will be used for the custom farming of the City of Los Angeles' Green Acres Farm. Financing for the extended contract will be requested for the succeeding eight fiscal years. There is no general fund impact resulting from the proposed amendment.

Respectfully submitted,


Arleen P. Taylor, Executive Officer
Board of Public Works

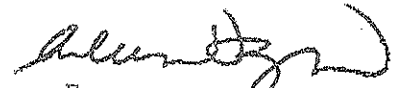
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DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
October 28, 2013

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
OCT 28 2013


Executive Officer

CD: ALL

AUTHORITY TO EXECUTE AMENDMENT NO. 3 TO PERSONAL SERVICES
CONTRACT NO. C-106805 WITH R & G FANUCCHI FARMS FOR THE CUSTOM
FARMING OPERATIONS OF THE CITY OF LOS ANGELES' GREEN ACRES FARM

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and the City Council for authority to execute Amendment No. 3 to Contract No. C-106805 with R & G Fanucchi Farms (FANUCCHI), to increase the contract ceiling from \$26.3 million to \$55.19 million (special funding available from Sewer Construction Maintenance and Operation (SCMO)) and extend the contract for five (5) years with an option to renew for additional one (1) term of three (3) years.
2. Upon the Mayor's and Council's authorization, the President or two members of the Board of Public Works (BOARD) will execute said contract Amendment No. 3.
3. Return the executed amendment to the Bureau of Sanitation (BUREAU) for further processing. Contact Alan Tran at (310) 648-5995 to arrange for pick up.

FISCAL IMPACT STATEMENT

This contract will be used for the custom farming of the City of Los Angeles' (CITY) Green Acres Farm (FARM). Financing for the extended contract will be requested for the succeeding eight fiscal years. There is no general fund impact resulting from the proposed amendment.

TRANSMITTALS

1. Transmittals from the Mayor's Office, approving the execution of four consecutive 90-day sole source contracts with FANUCCHI.
2. Bureaus of Sanitation and Contract Administration Joint Board Report No. 1, adopted June 2, 2004, authorizing the execution of a personal services contract with FANUCCHI.
3. Bureaus of Sanitation and Contract Administration Joint Board Report No. 1, adopted April 13, 2007, authorizing the execution of Amendment No. 1 to Contract No. C-106805 with FANUCCHI.
4. Bureaus of Sanitation and Contract Administration Joint Board Report No. 1, adopted April 28, 2010, authorizing the execution of Amendment No. 2 to Contract No. C-106805 with FANUCCHI.

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 October 28, 2013

PAGE 3

This decision allows the CITY to continue operations at the FARM while the State litigation is being considered. Therefore, BUREAU Management with support from the City Attorney's Office decided that the FANUCCHI contract needs to be extended in order to continue the custom farming operation while the case is still in trial.

In addition, FANUCCHI's management of FARM operations has been exceptional. By selling crops at prevailing crop prices, and developing and implementing the annual farm plan, FANUCCHI continues to maximize crop yields, resulting in increased revenue to the CITY. Some of the crops include alfalfa, sudan grass, milo, corn and wheat.

FANUCCHI CUSTOM FARMING CONTRACT	Original Contract (2004 - 2007) ¹	Amendment No. 1 (2007 - 2010) ¹	Amendment No. 2 (2010 - 2014) ²	Proposed Amendment No. 3 (2014 - 2019) ³	Proposed Amendment No. 3 Renewal Option (2019 - 2022) ³
Expenditures	\$5,735,569	\$7,331,953	\$10,317,328	\$17,288,860	\$11,668,461
Revenues	\$5,414,742	\$7,893,608	\$13,624,361	\$20,028,139	\$13,517,234
Revenues over Expenditures	(-\$320,827)	+\$561,655	+\$3,307,033	+\$2,739,279	+\$1,848,773

Note:

(1) Actual expenditures and revenues.

(2) Actual expenditures and revenues from 2010 – 2013, and projected expenditure and revenue for 2014.

(3) Projected expenditures and revenues

The FANUCCHI Contract Amendment No. 3 includes an option that if the application of biosolids ceases, this Amendment can be converted to a farm lease agreement or terminated at discretion of the CITY.

This Contract Amendment No. 3 shall: (Transmittal No. 6)

- 1) Extend the current contract by 5 years with an option to renew for additional one (1) term of three (3) years. Should Measure E be upheld and the application of biosolids ceases, Amendment No. 3 can be converted to a farm lease agreement or terminated at discretion of the CITY; and
- 2) Increase the contract ceiling from \$26.3 million to \$55.19 million.

Contract Responsibility Ordinance

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

Contract Administration

Responsibility for administration of this contract and its amendments will be with the Hyperion Treatment Division, Bureau of Sanitation.

Headquarters and Work Force Information

The headquarters address of R & G Fanucchi Farms is at 19296 Nord Avenue, Shafter, CA 93263. The Contractor has a staff of eleven employees assigned to this amendment and none of the employees reside within the City of Los Angeles.

Approved as to Form

The proposed contract amendment has been approved as to form by the Office of the City Attorney.

FUNDING HISTORY

Fiscal Year	Contractor	Expenditures	Approved Budget	New Contract Ceiling
04-05	FANUCCHI	\$1,975,000		\$55,187,000
05-06	FANUCCHI	\$1,828,887		
06-07	FANUCCHI	\$1,931,682		
07-08	FANUCCHI	\$2,451,000		
08-09	FANUCCHI	\$2,880,953		
09-10	FANUCCHI	\$2,000,000		
10-11	FANUCCHI	\$2,383,258		
11-12	FANUCCHI	\$2,928,768		
12-13	FANUCCHI	\$2,774,502		
13-14	FANUCCHI		\$2,230,800	
14-15	FANUCCHI			
15-16	FANUCCHI			
16-17	FANUCCHI			
17-18	FANUCCHI			

For Board Meeting of 06/30/2003

TRANSMITTAL 1

DIRECTOR OF THE BUREAU OF
SANITATION

INSPECTOR OF PUBLIC WORKS

OFFICE OF ACCOUNTING

APPROVED BY THE BOARD
OF PUBLIC WORKS OF THE
CITY OF LOS ANGELES
CALIFORNIA

JUN 30 2003

James H. [Signature]
Secretary

TRANSMITTAL		0610-03651-0000
TO Valerie Lynn Shaw, President Board of Public Works	DATE JUN 20 2003	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	
<p>Contract with R & G Fanucchi, Inc., for Farm Management and Custom Farming on the City's Green Acres Farm</p> <p>Approved and transmitted for execution and further processing, subject to the approval of the City Attorney. See the City Administrative Officer report attached.</p> <p style="text-align: center;"><i>[Signature]</i> MAYOR</p> <p>WTF:BDC:vnn:42041ct</p>		

**Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract**

To: The Mayor	Date 6-18-03	C.D. No.	CAO File No. 0610-03651-0000				
Reference: Report of the Bureaus of Sanitation and Contract Administration adopted by the Board of Public Works on June 5, 2003		Term: 90 days from day of execution with one one-year option to extend					
Type of Document: (X) New contract () Amendment () Other:							
Source of funds: Sewer Construction and Maintenance Fund							
Project Title: Farm Management and Custom Farming Services at Green Acres Farm							
Parties: City; R & G Fanucchi							
Business headquarters address: 19296 Nord Ave Street		Shafer City	CA 93263 State Zip				
Contract/Amendment amount: Proposed amount \$ 900,000 + Prior award(s) \$ - 0 - = Total \$ 900,000							
Purpose of Contract/Amendment: Farm management and custom farming at the City's Green Acres Farm in Kern County							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			A. Equal Employment Opportunity	X		
2. Appropriated funds are available	X			B. Business Tax Requirements	X		
3. City employees can perform the work		X		C. MBE/WBE/OBE Outreach			X
4. Proposals have been requested			X	D. Living Wage Ordinance			X
5. Risk Mgmt. review has been completed	X			E. Service Worker Retention Ordinance			X
6. Contractor has a stated Child Care policy	X			F. Child Support Obligations			X
7. Workforce that resides in the City: %				G. Equal Benefits Ordinance			X
*N/A = not applicable				H. Contractor Responsibility Ordinance			X

COMMENTS

Beneficial reuse of wastewater biosolids through land application has been practiced since the City stopped ocean disposal in the late 1980s. In August 2000, the City purchased farm land in Kern County to ensure a reliable place to take the 750 tons a day of City biosolids from the wastewater treatment plants. In addition to the cost of the farm purchase, the City has invested heavily in processes that will produce Class A biosolids, in order to meet the terms of a Kern County ordinance limiting biosolid land application in the County.

Also in August 2000, the City entered into a lease agreement with VCI, Inc. to operate the farm in order to offset a portion of the City's costs for the biosolids disposal program. In December 2002, VCI informed the City that it would not be able to continue its operations and the City discussed conditions for terminating the lease. VCI agreed to continue to operate the farm according to the approved farm plan until May 31, 2003. Due to a decrease in control under a lease arrangement, the City has determined that it should engage a farm manager as a service contractor.

 BDC: vnn Analyst 42041c	 Assistant CAO	 City Administrative Officer
--	--	--

The Bureau of Sanitation is preparing a Request for Proposal for a long term farm operator but needs to have a temporary farm manager until the RFP process is completed. Two other companies that work with the City on biosolids disposal were asked to assume responsibility for this interim period but were not interested due to the short-term nature of the arrangement. R & G Fanucchi Farms, a company that owns and operates other farms in the area of the City's property, agreed to manage the operations during the search for a permanent manager. City staff believes that Fanucchi will be an asset to the biosolids program as the company knows the local market and farming conditions. The company expects to sell sufficient farm products from the farm so that almost the entire cost of the operating contract may be recovered.

Short Term Contract

The City Administrative Officer's Contract Enforcement Office has reviewed the Contract and determined that while the Equal Benefits and Contractor Responsibility Ordinances provide for an exemption for sole source agreements, the Living Wage Ordinance does not. Fanucchi is not willing to assume this farm work if the company must pay the higher LWO rate to employees at the City's farm for such a short term. There is an equity issue with other employees who have worked for Fanucchi on other farms for a long time who would not receive the higher wage. Given that no one else is willing to manage the farm for a short period of time, it was determined after discussions with staff from the City Attorney's Office that the Living Wage Ordinance should be amended to add a sole source exemption, in line with the other ordinances. Due to the time required to process an ordinance amendment through the City Council and Mayor, use of the LWO exemption for contracts for less than 90 days will be used as the initial term in the contract. Extension of the contract for another twelve months will be authorized, once the ordinance has been amended to allow for a sole source exemption. Under a long-term contract, it is anticipated that these ordinance waivers will not be needed, as the bids will require compliance with the various laws.

Work Plan

Fanucchi will prepare a farm plan, cooperate with the company serving as the City's Biosolids Contractor (hauling the biosolids and distributing the material on the ground), purchase farming items and direct all farming operations. In addition, the company will advise about improvements to the soil, work to obtain farm subsidies and other grants and consult with the City on a variety of farming questions and concerns. Weekly and monthly reports will be submitted for City review, including water usage, crop sales agreements and harvesting plans. Fanucchi commits to not sell any crops from the farm for direct human consumption. Good housekeeping measures and methods for handling hazardous materials are spelled out in the Contract.

The City commits to test and treat the biosolids according to regulatory standards and will send the results to Fanucchi. The City will also maintain the permanent structures, irrigation equipment and roads, with the exception of damage caused by negligent farming operations.

Compensation

The proposed term of the Contract is for 90 days with a 12-month option to extend at the sole discretion of the City. The Contract stipulates a monthly farm management fee of \$39,100. In addition, Fanucchi will be compensated for services performed, which are specifically requested by the City. These services include all farming activities such as planting, irrigation, cultivation,

fertilization, stubble disc and collipack. Additionally, if Fanucchi purchases items or equipment for farming operations which are agreed upon with the City, the City will pay for the costs, plus 10 percent for Fanucchi's services. Fanucchi will submit detailed invoices specifying the work performed. Should there be substantial increases in costs associated with these services, Fanucchi may petition the City and provide written documentation supporting the requested increase. The total cost for the 90-day contract term is approximately \$900,000, which would include the farm management fee and these additional services.

Miscellaneous Provisions

The proposed Contract has not been reviewed and approved by the City Attorney as to form. Because this Contract is less than three months, it is exempt from the Equal Benefits Ordinance, Contractor Responsibility Ordinance and Living Wage Ordinance. An exemption from the Good Faith Effort was approved by the Mayor's Office on April 16, 2003. Fanucchi will obtain a City Business License and has pledged to obey other City ordinances, as they apply to this short-term contract.

RECOMMENDATION

That the Mayor approve the proposed Contract with R & G Fanucchi, Inc. for farm management and custom farming at the Green Acres Farm, and return it to the Board of Public Works for execution and further processing.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the General Fund. Funding for biosolids land application and farming expenses is provided in the Sewer Operation and Maintenance Fund No. 760. Approximately \$2.7 million is available for this cost in the 2003-04 Adopted Budget.

TRANSMITTAL

TO President, Board of Public Works
City Attorney
CAO

DATE
SEP 25 2003

FROM MAYOR

**Sole-source contract with R & G Fanucchi Farms
for Farm Management and Custom Farming Services
at the City's Green Acres Farm in Kern County**

The proposed contract with R & G Fanucchi Farms for farm management and custom farming services at the Green Acres Farm, for term September 29, 2003 to December 27, 2003, and in amount of \$675,000, IS APPROVED subject to the approval of the City Attorney as to form and returned for further processing.



JAMES K. HAHN
Mayor

= 9-24-03

CITY OF LOS ANGELES

CALIFORNIA



JAMES K. HAHN
MAYOR

September 10, 2003

OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012

JAMES A. GIBSON
SECRETARY

GENERAL INFORMATION
Tel: 213-978-0261 Fax: 213-978-0278

#1 SAN

Mayor James K. Hahn
Room 305
City Hall
Attn: June Lagmay

Subject: APPROVAL TO SOLE SOURCE R & G FANUCCHI FARMS (FANUCCHI)
FOR FARM MANAGEMENT AND CUSTOM FARMING SERVICES AT THE CITY OF LOS
ANGELES' (CITY) GREEN ACRES FARM

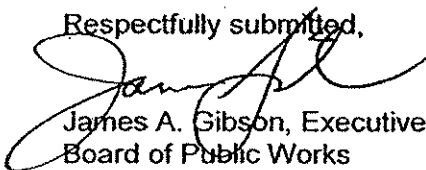
As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests approval and authorization to execute a sole source contract with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City of Los Angeles' Green Acres Farm in Kern County.

The City has had an agreement with Valley Communities, Inc. (VCI) since November 30, 2000 to provide these services. However, VCI gave written notice that it will not be able to continue under this agreement beyond January 1, 2003. The Bureau, therefore, began a search for a temporary farmer to continue farm operations for a one year period, allowing time to process a request for proposal to secure a long term farming contract. On June 27, 2003, the City executed a sole source contract with Fanucchi, which will expire on September 28, 2003. The proposed contract will continue those services through December 27, 2003.

FISCAL IMPACT

The estimated cost of this contract is six hundred seventy-five thousand dollars (\$675,000) for all services pursuant to the contract for the period September 29, 2003 to December 27, 2003. As of August 27, 2003, the amount of \$2.47 million is available in Department 50, Account V282, Fund 760, Object 304 to finance the Farm Management and Custom Farming Operation of the City's Green Acres Farm.

Respectfully submitted,


James A. Gibson, Executive Officer
Board of Public Works

JAG:mp

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
SEPTEMBER 10, 2003

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
~~AND REFERRED TO THE MAYOR~~
SEP 10 2003


Secretary

CD: ALL

APPROVAL TO SOLE SOURCE R & G FANUCCHI FARMS (FANUCCHI) FOR
FARM MANAGEMENT AND CUSTOM FARMING SERVICES AT THE CITY OF
LOS ANGELES' (CITY) GREEN ACRES FARM

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor requesting that the Board of Public Works be authorized to execute the proposed sole source agreement with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City of Los Angeles' Green Acres Farm (Farm). The estimated cost of this agreement is six hundred seventy-five thousand dollars (\$675,000). This contract will have an effective date of September 29, 2003 to December 27, 2003.
2. Waive the MBE/WBE/OBE Subcontractor Outreach Program requirements as discussed in this report.
3. Upon the Mayor's authorization, the President or two members of the Board of Public Works will execute the Agreement.
4. Issue a Notice to Proceed effective September 29, 2003.

TRANSMITTALS

1. Copy of the proposed Contract Agreement with R & G Fanucchi Farms signed by the contractor and approved as to form by the City Attorney.
2. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver dated April 16, 2003 issued by the Mayor's Office of Economic Development.

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DISCUSSION

Background

The City of Los Angeles owns a farm in Kern County, described as the 4,688 acres of land adjacent to Interstate 5 just south of Taft Highway in Bakersfield, California. The CITY is using biosolids, produced at its Wastewater Treatment Plants as fertilizer/soil conditioner and the effluent from the City of Bakersfield Wastewater Treatment Plant No. 3 for irrigation.

The Bureau of Sanitation utilizes the services of Responsible Biosolids Management as the contractor to haul, transport and spread the biosolids as soil amendment/fertilizer at the farm.

After the CITY purchased the Green Acres Farm, it entered into a Ground Lease Agreement on November 30, 2000 with Valley Communities, Inc. (VCI) to do the farming operations. However, on December 11, 2002, VCI gave a written notice to the CITY that it will not be able to further perform its obligations and continue farming at the Farm as required by the Lease beyond January 1, 2003.

After January 1, 2003, the CITY considered VCI to be in breach of its obligations under the lease for failure to pay rent due and failure to submit and follow an acceptable Farm Plan that will enable the CITY to continue biosolids applications uninterrupted. On June 30, 2003, the CITY terminated the lease with VCI "by amicable mutual consent." Therefore, the Bureau of Sanitation began investigating other options for a temporary farmer who can continue farm operations for a one-year period. This interim period allows time to process a Request for Proposal (RFP) to secure a long term farming contract.

On June 27, 2003, the City executed a sole source Contract Agreement No. C-105059 with R&G Fanucchi Farms to provide custom farming and farm management services at Green Acres Farm. The contract began on July 1, 2003 and will end on September 28, 2003.

The sole source contract agreement was executed due to the urgency to have a custom farmer after terminating the Ground Lease Agreement with the previous farmer (VCI). The farming

Page 3

operation was offered to other farmers in the area and to present CITY Contractors but to no avail, since they are more interested in a longer contract.

Under the present farm management and custom farming services contract with FANUCCHI, the City has complete management control of all farming operations and crop revenues. Fanucchi is paid based on a set custom rates and fees, which are based on a per acre basis and the equipment and manpower are on a per hour basis.

Since the start of the contract, Fanucchi has demonstrated their expertise in the farming operation and have caught up with the crop planting schedule by working closely with Responsible Biosolids Management (RBM), the City's Biosolids Contractor and the City staff. Fanucchi is performing well and doing the best for the City with regards to the farm operations necessary to grow and harvest crops. The City is kept well informed on all the activities at the Farm through weekly reporting.

Fanucchi continues to perform all farming activities in agreement with all applicable laws, rules, regulations, and permit requirements of the federal, state, local governments and their subordinate agencies, as well as the specific requirements mandated by the City of Los Angeles. In addition, Fanucchi has been very responsive in carrying out the City approved Farm Plan.

The Bureau of Sanitation is requesting that a new agreement be approved for the following reasons:

- a. FANUCCHI has shown and proven that they can do the farming operation of the Green Acres Farm.
- b. The need to have FANUCCHI continue the farming operations at the farm.
- c. The original understanding with FANUCCHI that they will provide the custom farming services at the farm for a one-year period.
- d. The lack of available farmers to continue this operation through the specified period.

- e. The environmental and economic costs of land applying the CITY's biosolids.

Based on the justification above and Fanucchi's performance, the Bureau of Sanitation recommends that your Board approve and forward this report to the Mayor with the request that the Board be authorized to execute this Contract Agreement for ninety days.

City Requirements

The Board of Public Works has previously granted R&G Fanucchi a waiver of the MBE/WBE/OBE requirements.

Fanucchi is current with its insurance and bond requirements and has the following requirements on file:

- Affirmative Action Plan
- Child Care Policy
- Child Support Obligation Ordinance
- Business Tax Registration Certificate

Fanucchi is exempted on the following City requirements:

- Equal Benefits Ordinance
- Living Wage Ordinance

The Personnel Department has reviewed this contract for compliance to City Charter Section 1022 and has determined that contracting is in the best interest of the City.

Contract Administration

Responsibility for administering this contract will be with the Hyperion Treatment Division - Biosolids Section.

STATEMENT OF FUNDS

The estimated cost of this contract is six hundred seventy-five thousand dollars (\$675,000) for all services pursuant to the contract for the period September 29, 2003 to December 27, 2003. As of August 27, 2003, the amount of \$2.47 million is available in Department 50, Account V282, Fund 760, Object 304 to finance the Farm Management and Custom Farming Operation of the City's Green Acres Farm.

BUREAU OF SANITATION
BOARD REPORT NO. 1
SEPTEMBER 10, 2003

Page 5

(EEA MAS RPT JEM)

Respectfully submitted,

Judith A. Wilson
JUDITH A. WILSON, Director
Bureau of Sanitation

APPROVED AS STATEMENT OF FUNDS:

for *Craig V. Bloomquist*
CRAIG V. BLOOMQUIST, Director
Office of Accounting

Date *9/5/03*

Prepared by:
Ernesto F. Libunao, HTP
(310) 648-5319


DIRECTOR OF THE BUREAU OF
SANITATION

OFFICE OF ACCOUNTING

APPROVED BY THE BOARD - AND THAT THE PRESIDENT OR TWO MEMBERS
OF PUBLIC WORKS OF THE BE AUTHORIZED TO EXECUTE THE CONTRACT
CITY OF LOS ANGELES ON BEHALF OF THE BOARD.
CALIFORNIA

DEC - 3 2003


Secretary

TRANSMITTAL		
TO President, Board of Public Works City Attorney CAO	DATE	
	NOV 24 2003	
FROM MAYOR		
<p>Sole-source contract with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City's Green Acres Farm in Kern County</p> <p>Previous contracts: Period July 1, 2003 to September 28, 2003 Period September 29, 2003 to December 27, 2003</p> <p>The proposed contract with R & G Fanucchi Farms for farm management and custom farming services at the Green Acres Farm, for term December 28, 2003 to March 26, 2004, and in amount of \$675,000, IS APPROVED subject to the approval of the City Attorney as to form and returned for further processing.</p>		
<p> JAMES K. HAHN Mayor</p>		

11-21-03

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF PUBLIC WORKS MEMBERS

VALERIE LYNNE SHAW
PRESIDENT

ELLEN STEIN
VICE PRESIDENT

JANICE WOOD
PRESIDENT PRO-TEMPORE

RONALD LOW
COMMISSIONER

CYNTHIA M. RUIZ
COMMISSIONER



JAMES K. HAHN
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012

JAMES A. GIBSON
EXECUTIVE OFFICER

GENERAL INFORMATION
Tel: 213-978-0261 Fax: 213-978-0278

November 12, 2003

#2 SAN

Mayor James K. Hahn
Room 305
City Hall
Attn: June Lagmay

Subject: APPROVAL TO SOLE SOURCE R & G FANUCCHI FARMS (FANUCCHI) FOR
FARM MANAGEMENT AND CUSTOM FARMING SERVICES AT THE CITY OF LOS
ANGELES' (CITY) GREEN ACRES FARM

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests approval and authorization to execute a sole source agreement with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City of Los Angeles' Green Acres Farm, in Kern County.

The estimated cost of this agreement is \$675,000, and the contract will have a term beginning December 28, 2003 to March 26, 2004.

FISCAL IMPACT

The estimated cost of this contract is \$675,000 for all services pursuant to the contract for the period for all services pursuant to the contract for the period December 28, 2003, to March 26, 2004. As of October 14, 2003, the amount of \$2.1 million is available in Department 50, Account V282, Fund 760, Object 304 to finance the Farm Management and Custom Farming Operation of the City's Green Acres Farm.

Respectfully submitted,

James A. Gibson
Executive Officer
Board of Public Works

JAG:dpc

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
NOV 12 2003


Secretary

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 2
NOVEMBER 12, 2003

CD: ALL

APPROVAL TO SOLE SOURCE R & G FANUCCHI FARMS (FANUCCHI) FOR
FARM MANAGEMENT AND CUSTOM FARMING SERVICES AT THE CITY OF LOS
ANGELES' (CITY) GREEN ACRES FARM (PHASE III)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor requesting that the Board of Public Works be authorized to execute the proposed sole source agreement with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City of Los Angeles' Green Acres Farm (Farm). The estimated cost of this agreement is six hundred seventy-five thousand dollars (\$675,000). This contract will have an effective date of December 28, 2003 to March 26, 2004.
2. Waive the MBE/WBE/OBE Subcontractor Outreach Program requirements as discussed in this report.
3. Upon the Mayor's authorization, the President or two members of the Board of Public Works will execute the Agreement.
4. Issue a Notice to Proceed effective December 28, 2003.

TRANSMITTALS

1. Copy of the proposed Contract Agreement with R & G Fanucchi Farms signed by the contractor and approved as to form by the City Attorney.
2. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver dated April 16, 2003 issued by the Mayor's Office of Economic Development.

DISCUSSION

Background

The City of Los Angeles owns the Green Acres Farm in Kern County, described as the 4,688 acres of land adjacent to

BUREAU OF SANITATION
BOARD REPORT NO. 2
NOVEMBER 12, 2003

Page 2

Interstate 5 just south of Taft Highway in Bakersfield, California. The CITY is using biosolids produced at its Wastewater Treatment Plants as fertilizer/soil conditioner and the effluent from the City of Bakersfield Wastewater Treatment Plant No. 3 for irrigation.

The Bureau of Sanitation utilizes the services of Responsible Biosolids Management (RBM) as the contractor to haul, transport and spread the biosolids as soil amendment/fertilizer at the farm.

After the CITY purchased the Farm, it entered into a Ground Lease Agreement on November 30, 2000 with Valley Communities, Inc. (VCI) to do the farming operations. However, on June 30, 2003, the CITY terminated the lease with VCI "by amicable mutual consent."

Before the termination of the VCI contract, HTP staff investigated other options for a temporary farm operator who can continue farm operations for one-year period. The interim period would allow time to process a Request for Proposal (RFP) to secure a long term farming contract. The farming operation was offered to other farmers in the area and to present CITY Contractors but to no avail, since they are more interested in a longer contract.

On June 27, 2003, the City executed a sole source Contract Agreement No. C-105059 for ninety-days with FANUCCHI to provide custom farming and farm management services at Green Acres Farm from July 1 to September 28, 2003. The sole source contract agreement was executed due to the urgency to have a custom farmer after terminating the Ground Lease Agreement with the previous farmer (VCI).

When the first contract ended on September 28, 2003, another ninety-day Contract Agreement (C-105714) was awarded to FANUCCHI for the period September 29, 2003 to December 27, 2003.

Under the present farm management and custom farming services contract with FANUCCHI, the City has complete management control of all farming operations and crop revenues. Fanucchi

Page 3

is paid based on set custom rates and fees, which are based on a per acre basis and the equipment and manpower are on a per hour basis.

FANUCCHI continues to perform all farming activities in agreement with all applicable laws, rules, regulations, and permit requirements of the federal, state, local governments and their subordinate agencies, as well as the specific requirements mandated by the City of Los Angeles. In addition, Fanucchi has been very responsive in carrying out the City approved Farm Plan.

The Bureau of Sanitation is requesting that a new agreement be approved for the following reasons:

- a. FANUCCHI has shown and proven that they can do the farming operation of the Green Acres Farm.
- b. The need to have FANUCCHI continue the farming operations at the farm.
- c. The original understanding with FANUCCHI that they will provide the custom farming services at the farm for a one-year period.
- d. The lack of available farmers to continue this operation for a short period.
- e. The environmental and economic costs of land applying the CITY's biosolids.

Based on the justification above and FANUCCHI's performance, the Bureau of Sanitation recommends that your Board approve and forward this report to the Mayor with the request that the Board be authorized to execute this Contract Agreement for ninety days, beginning on December 28, 2003 and ending on March 26, 2004, unless extended by parties in writing or until a new contract through the RFP process is executed.

City Requirements

The Board of Public Works has previously granted R&G Fanucchi a waiver of the MBE/WBE/OBE requirements.

FANUCCHI is current with its insurance and bond requirements and has the following requirements on file:

- Affirmative Action Plan

Page 4

- Child Care Policy
 - Child Support Obligation Ordinance
 - Business Tax Registration Certificate
- FANUCCHI is exempted on the following City requirements:
- Equal Benefits Ordinance
 - Living Wage Ordinance

The Slavery Disclosure Ordinance Affidavit has been submitted on October 20, 2003.

The Personnel Department has reviewed this contract for compliance to City Charter Section 1022 and has determined that contracting is in the best interest of the City.

Contract Administration

Responsibility for administering this contract will be with the Bureau of Sanitation's Hyperion Treatment Division - Biosolids Section.

STATEMENT AS TO FINANCING

The estimated cost of this contract is six hundred seventy-five thousand dollars (\$675,000) for all services pursuant to the contract for the period December 28, 2003 to March 26, 2004. As of October 14, 2003, the amount of \$2.1 million is available in Department 50, Account V282, Fund 760, Object 304 to finance the Farm Management and Custom Farming Operation of the City's Green Acres Farm.

(EEA MAS RPT JEM)

Respectfully submitted,

APPROVED AS TO STATEMENT OF FUNDS:

for *Samuel R. Malabayoc*
CRAIG V. BLOOMQUIST, Director
Office of Accounting
Date 11/7/03

James F. Langley
JAMES F. LANGLEY
Interim-Director
Bureau of Sanitation

Prepared by:
Ernesto F. Libunao, HTP
(310) 648-5319

111203-2

DEPARTMENT OF PUBLIC WORKS

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
FEB 20 2004

BUREAU OF SANITATION
BOARD REPORT NO. 1
FEBRUARY 20, 2004


Secretary

CD: ALL

APPROVAL TO SOLE SOURCE R & G FANUCCHI FARMS (FANUCCHI) FOR
FARM MANAGEMENT AND CUSTOM FARMING SERVICES AT THE CITY OF LOS
ANGELES' (CITY) GREEN ACRES FARM (PHASE IV)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor requesting that the Board of Public Works be authorized to execute the proposed sole source agreement with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City of Los Angeles' Green Acres Farm (Farm). The estimated cost of this agreement is six hundred seventy-five thousand dollars (\$675,000). This contract will have an effective date of March 27, 2004 to June 24, 2004.
2. Waive the MBE/WBE/OBE Subcontractor Outreach Program requirements as discussed in this report.
3. Upon the Mayor's authorization, the President or two members of the Board of Public Works will execute the Agreement.
4. Issue a Notice to Proceed effective March 27, 2004.

TRANSMITTALS

1. Copy of the proposed Contract Agreement with R & G Fanucchi Farms signed by the contractor and approved as to form by the City Attorney.
2. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver dated April 16, 2003 issued by the Mayor's Office of Economic Development.

DEPARTMENT OF PUBLIC WORKS

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
FEB 20 2004

BUREAU OF SANITATION
BOARD REPORT NO. 1
FEBRUARY 20, 2004


Secretary

CD: ALL

APPROVAL TO SOLE SOURCE R & G FANUCCHI FARMS (FANUCCHI) FOR
FARM MANAGEMENT AND CUSTOM FARMING SERVICES AT THE CITY OF LOS
ANGELES' (CITY) GREEN ACRES FARM (PHASE IV)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor requesting that the Board of Public Works be authorized to execute the proposed sole source agreement with R & G Fanucchi Farms for Farm Management and Custom Farming Services at the City of Los Angeles' Green Acres Farm (Farm). The estimated cost of this agreement is six hundred seventy-five thousand dollars (\$675,000). This contract will have an effective date of March 27, 2004 to June 24, 2004.
2. Waive the MBE/WBE/OBE Subcontractor Outreach Program requirements as discussed in this report.
3. Upon the Mayor's authorization, the President or two members of the Board of Public Works will execute the Agreement.
4. Issue a Notice to Proceed effective March 27, 2004.

TRANSMITTALS

1. Copy of the proposed Contract Agreement with R & G Fanucchi Farms signed by the contractor and approved as to form by the City Attorney.
2. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver dated April 16, 2003 issued by the Mayor's Office of Economic Development.

Page 2

DISCUSSION

Background

The City of Los Angeles owns the Green Acres Farm in Kern County, described as the 4,688 acres of land adjacent to Interstate 5 just south of Taft Highway in Bakersfield, California. The CITY is using biosolids produced at its Wastewater Treatment Plants as fertilizer/soil conditioner and the effluent from the City of Bakersfield Wastewater Treatment Plant No. 3 for irrigation.

The Bureau of Sanitation utilizes the services of Responsible Biosolids Management (RBM) as the contractor to haul, transport and spread the biosolids as soil amendment/fertilizer at the farm.

After the CITY purchased the Farm, it entered into a Ground Lease Agreement on November 30, 2000 with Valley Communities, Inc. (VCI) to do the farming operations. However, on June 30, 2003, the CITY terminated the lease with VCI "by amicable mutual consent."

Before the termination of the VCI contract, HTP staff investigated other options for a temporary farm operator who can continue farm operations for one-year period. The interim period would allow time to process a Request for Proposal (RFP) to secure a long term farming contract. The farming operation was offered to other farmers in the area and to present CITY Contractors but to no avail, since they are more interested in a longer contract.

On June 27, 2003, the City executed a sole source Contract Agreement No. C-105059 (Phase I) for ninety-days with FANUCCHI to provide custom farming and farm management services at Green Acres Farm from July 1 to September 28, 2003. The sole source contract agreement was executed due to the urgency to have a custom farmer after terminating the Ground Lease Agreement with the previous farmer (VCI).

Contract Agreements C-105714 (Phase II) and C-105978 (Phase III) were awarded to FANUCCHI for the periods September 29,

BUREAU OF SANITATION
BOARD REPORT NO. 1
FEBRUARY 20, 2004

Page 3

2003 to December 27, 2003 and December 28, 2003 to March 26, 2004, respectively.

Under the present farm management and custom farming services contract with FANUCCHI, the City has complete management control of all farming operations and crop revenues. Fanucchi is paid based on set custom rates and fees, which are based on a per acre basis and the equipment and manpower are on a per hour basis.

FANUCCHI continues to perform all farming activities in agreement with all applicable laws, rules, regulations, and permit requirements of the federal, state, local governments and their subordinate agencies, as well as the specific requirements mandated by the City of Los Angeles. In addition, Fanucchi has been very responsive in carrying out the City approved Farm Plan.

The Bureau of Sanitation is requesting that Phase IV of the agreement be approved for the following reasons:

- a. FANUCCHI has shown and proven that they can do the farming operation of the Green Acres Farm.
- b. The need to have FANUCCHI continue the farming operations at the farm.
- c. The original understanding with FANUCCHI that they will provide the custom farming services at the farm for a one-year period.
- d. The lack of available farmers to continue this operation for a short period.
- e. The environmental and economic costs of land applying the CITY's biosolids.

Based on the justification above and FANUCCHI's performance, the Bureau of Sanitation recommends that your Board approve and forward this report to the Mayor with the request that the Board be authorized to execute this Contract Agreement for ninety days, beginning on March 27, 2004 and ending on June 24, 2004, unless extended by parties in writing or until a new contract through the RFP process is executed.

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City Requirements

The Board of Public Works has previously granted R&G Fanucchi a waiver of the MBE/WBE/OBE requirements.

FANUCCHI is current with its insurance and bond requirements and has the following requirements on file:

- Affirmative Action Plan
- Child Care Policy
- Child Support Obligation Ordinance
- Business Tax Registration Certificate

FANUCCHI is exempted on the following City requirements:

- Equal Benefits Ordinance
- Living Wage Ordinance

The Slavery Disclosure Ordinance Affidavit has been submitted on October 20, 2003.

The Personnel Department has reviewed this contract for compliance to City Charter Section 1022 and has determined that contracting is in the best interest of the City.

Contract Administration

Responsibility for administering this contract will be with the Hyperion Treatment Division - Biosolids Section.

STATEMENT AS TO FINANCING

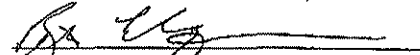
The estimated cost of this contract is six hundred seventy-five thousand dollars (\$675,000) for all services pursuant to the contract for the period March 27, 2004 to June 24, 2004 which is available in Department 50, Account V282, Fund 760, Object 304 to finance the Farm Management and Custom Farming Operation of the City's Green Acres Farm.

(EEA MAS RPT JEM)


BUREAU OF SANITATION
BOARD REPORT NO. 1
FEBRUARY 20, 2004

Page 5

Respectfully submitted,


RITA ROBINSON
Interim Director
Bureau of Sanitation

APPROVED AS TO STATEMENT OF FUNDS:


CRAIG V. BLOOMQUIST, Director
Office of Accounting

Date 2-10-04

Prepared by:
Ernesto F. Libunao, HTP
(310) 648-5319

TRANSMITTAL 2

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
JUN 2 - 2004

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
JUNE 2, 2004

Janice A. ...
Secretary

CD: ALL

AUTHORITY TO EXECUTE PERSONAL SERVICES CONTRACT WITH R & G
FANUCCHI FARMS FOR THE CUSTOM FARMING OPERATIONS OF THE CITY
OF LOS ANGELES' GREEN ACRES FARM

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor requesting that the Board of Public Works be authorized to execute a three-year Personal Services Contract with R & G Fanucchi Farms (FANUCCHI) for Custom Farming Operations of the City of Los Angeles' (CITY) Green Acres Farm (FARM). The estimated cost for this contract is \$6,692,400. The contract will be in effect for three years.
2. Waive the MBE/WBE/OBE Subcontractor Outreach Program requirements as discussed in this report.
3. Upon the Mayor's authorization, the President or two members of the Board of Public Works (BOARD) will execute the Contract Agreement.
4. Return the executed contract to the Bureau of Sanitation for further processing. (Contact the Board Report Section at (213) 473-8038 for pick-up).

TRANSMITTALS

1. Copy of the Bureau of Sanitation (BUREAU) Report No. 1 adopted November 26, 2003, authorizing the distribution of Request for Proposals for the Custom Farming Operations of the Farm.
2. Copy of the Memorandum from Assistant Director/Plant Manager Joseph Mundine dated March 17, 2004 informing the Board of Public Works the results of the selection process for this RFP.
3. Copy of the proposed Personal Services Contract between the CITY and FANUCCHI. Originals will be delivered to the Board Office when the Board Report Section (213) 473-8038 is notified that the contract is ready for execution.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
JUNE 2, 2004

Page 2

4. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver dated April 16, 2003 issued by the Mayor's Office of Economic Development.
5. Copy of the letter dated March 9, 2004 from the Bureau of Contract Administration's Affirmative Action Section approving the Affirmative Action requirements submitted by the proposers.

DISCUSSION

Background

The CITY owns the FARM in Kern County, described as the 4,688 acres of land adjacent to Interstate 5 just south of Taft Highway in Bakersfield, California. The CITY is using biosolids produced at its Wastewater Treatment Plants as fertilizer/soil conditioner and the effluent from the City of Bakersfield Wastewater Treatment Plant No. 3 for irrigation.

The BUREAU utilizes the services of Responsible Biosolids Management (RBM) as the contractor to haul, transport and spread the biosolids as soil amendment/fertilizer at the farm.

Since July 1, 2003 to the present, FANUCCHI has provided farm management and custom farming services at Green Acres Farm. A one-year sole source contract agreement with FANUCCHI was executed due to the urgency to have a custom farmer after terminating the Ground Lease Agreement with the previous farmer. The one-year sole source contract would allow time to process a Request for Proposal (RFP) to secure a long term farming contract.

On November 26, 2003, the BOARD approved the release of a Request for Proposal (RFP) for the Custom Farming Operations of the Green Acres Farm [Transmittal #1].

On December 3, 2003, after the BOARD's authorization, the RFP notice was mailed to over 128 potential proposers and sub-consultants. The RFP was advertised on the City's website and in two local newspapers, namely Bakersfield Californian and Metropolitan News. A pre-proposal meeting was held on January 7, 2004 where 28 participants representing 16 companies attended.

In response to the advertised RFP, the BUREAU received five (5) proposals on January 29, 2004. Proposals were submitted by RBM; McCarthy Family Farms, Inc. (McCarthy); FANUCCHI; Progress Farms

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 JUNE 2, 2004

Page 3

(Progress); and Solid Solutions. After a thorough review of the five proposals and based on the requirements set in the RFP, it was determined that Solid Solutions' proposal was not responsive and had not met CITY's minimum requirements set forth in the RFP. The other four proposers were invited to make oral presentations before a selection panel on February 27, 2004.

Each proposal was reviewed and ranked based on the following pre-established criteria set forth in the RFP. The following is a summary of the scoring results:

CRITERIA	FIRM			
	FANUCCHI	Progress	McCarthy	RBM
Technical Proposal and Schedule (20%)	9.00	8.67	8.00	7.67
Qualifications (20%)	9.00	8.67	8.33	7.67
Cost Control (40%)	9.00	6.33	7.00	7.00
Responsiveness (20%)	8.67	9.33	8.67	8.33
Overall Score (100%)	8.93 (Rank 1)	7.87 (Rank 2)	7.80 (Rank 3)	7.53 (Rank 4)

On March 17, 2004, a memo was sent by Plant Manager Joseph Mundine to inform the BOARD the results of the selection process for this RFP. [Transmittal #2] Based on the results, it was determined that FANUCCHI is the most qualified and responsive proposer.

Contract Negotiation

On April 7, 2004, the BUREAU started negotiating with FANUCCHI and the negotiation resulted in the development of the following scope of work:

FANUCCHI will provide custom farming operations of the CITY's FARM as indicated in Article 4 of the proposed contract agreement (Transmittal #3) for a three-year term.

MBE/WBE/OBE Subcontractor Outreach Program

The MBE/WBE/OBE Subcontractor Outreach Program has been waived due to the limited number of subcontractors that are available in the area for farming services [Transmittal #4]. However, FANUCCHI will be

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
JUNE 2, 2004

Page 4

encouraged to use MBE/WBE/OBE firms whenever there are subcontracting opportunities.

City of Los Angeles Contractual Requirements/Laws/Policies

FANUCCHI has agreed to comply with all applicable contractual requirements. FANUCCHI is current with its insurance and bond requirements, has Business Tax Registration Certificate (BTRC), Employment and City Business Licenses.

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City Personnel responsible for the quality control of this Contract Agreement shall submit Contractor Performance Evaluation Reports to the City Administrative Officer (CAO) upon completion of this contract.

Contractor Responsibility Ordinance

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

Nondiscrimination/Equal Employment/Affirmative Action

FANUCCHI submitted City EEO/Affirmative Action Plan; and the Office of Contract Compliance (OCC) has reviewed and approved the documentation. The OCC sent a letter of approval dated March 9, 2004 which will be valid for one year from the date of approval.

City Charter Section 1022 Determination

The Personnel Department has reviewed this contract for compliance to City Charter Section 1022 and has determined that contracting is in the best interest of the City.

Service Contract Worker Retention Ordinance (SCWRO), Living Wage Ordinance (LWO), and Equal Benefits Ordinance (EBO) Policies

This contract is subject to the applicable provisions of the SCWRO, LWO, and EBO. All forms will be submitted to the City Administrative Officer (CAO) for review and approval.

Child Support Obligations

The company certifies that it is in compliance and will continue to comply with all applicable State and Federal employment reporting

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
JUNE 2, 2004

Page 5

requirements and wage and earning assignments relative to legally mandated child support.

Slavery Disclosure Ordinance

The Slavery Disclosure Ordinance Affidavit has been submitted on October 20, 2003.

Contract Administration

Responsibility for administering this contract will be with the Hyperion Treatment Division - Biosolids Section.

The City Attorney also approved the contract as to form.

Headquarter and Workforce Information

The headquarter address of FANUCCHI is at 19296 Nord Avenue, Shafter, CA 93263. The contractor has a staff of ten employees assigned to this contract and no employees reside within the CITY.

STATUS OF FINANCING

The estimated cost of this contract for one year is \$2,230,800 for all services pursuant to the contract for the period June 25, 2004 to June 24, 2005. This money is requested for next fiscal year's budget and will be available in Fund 760, Department 50, Account W282, Object 304. Financing for the two remaining years of the contract term will be requested in FY 2005-06 and FY 2006-07.

(EEA MAS RPT JEM CMM)

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
JUNE 2, 2004

Page 6

Respectfully submitted,

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:

Hannah Choi
HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Rita L. Robinson
RITA L. ROBINSON
Director
Bureau of Sanitation

Brian Williams
BRIAN WILLIAMS
Interim Director
Bureau of Contract Administration

APPROVED AS TO FUNDS:

Craig V. Bloomquist
for CRAIG V. BLOOMQUIST, Director
Office of Accounting

Date 8-21-04

Prepared by:
Ernesto F. Libunao, HTP
(310) 648-5319

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
APR 13 2007


Secretary

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION

BUREAU OF CONTRACT ADMINISTRATION

JOINT BOARD REPORT NO. 1

APRIL 13, 2007

CD: ALL

AUTHORITY TO EXECUTE AMENDMENT NO. 1 TO PERSONAL SERVICES
CONTRACT NO. C106805 WITH R & G FANUCCHI FARMS FOR THE CUSTOM
FARMING OPERATIONS OF THE CITY OF LOS ANGELES' GREEN ACRES FARM

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and the CITY Council for Resolution Authority to execute Amendment No.1 to Personal Services Contract (PSC) No. C-106805 with R & G Fanucchi Farms (FANUCCHI), to increase the contract cap from \$6.7 million to \$13.4 million and extend the contract expiration date from June 25, 2007 to June 24, 2010.
2. Upon the Mayor's and Council's authorization, the President or two members of the Board of Public Works will execute contract Amendment No.1.

FISCAL IMPACT STATEMENT

This contract will be used for the custom farming of the City of Los Angeles' (CITY) Green Acres Farm (FARM). Financing for the extended contract will be requested for the succeeding three fiscal years. There is no general fund impact resulting from the proposed amendment.

TRANSMITTALS

1. Bureaus of Sanitation and Contract Administration Joint Board Report No. 1, adopted June 2, 2004 to execute personal services contract with FANUCCHI.
2. Copy of proposed Amendment No. 1 to PSC No. C-106805.

DISCUSSION

Background

The CITY owns the FARM in Kern County, described as the 4,688 acres of land adjacent to Interstate 5 just south of Taft Highway in Bakersfield, California. The CITY is using biosolids produced at its Wastewater Treatment Plants as fertilizer/soil conditioner and the effluent from the City of Bakersfield Wastewater Treatment Plant No. 3 for irrigation.

Since July 1, 2003, FANUCCHI has provided farm management and custom farming services at the FARM. This includes one-year sole source contract agreement, followed by a three-year contract agreement through the Request for Proposal (RFP) process which expires on June 24, 2007.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
APRIL 13, 2007

PAGE 2

On June 6, 2006, Kern County voters adopted Measure E, the Biosolids Land Application Ban Initiative Ordinance (Ban). The Ban would prohibit the land application of biosolids and bulk biosolids compost on the unincorporated lands in Kern County.

The Bureau of Sanitation is pursuing legal action and a preliminary injunction was recently issued by the Federal Court staying the ban. The FANUCCHI contract agreement needs to be extended in order to continue the custom farming operation while the case goes through trial. Extending the contract through this amendment will also provide time to explore other farm options without biosolids, since the CITY has a contractual obligation with the City of Bakersfield to take 14 million gallons of secondary effluent from their Wastewater Treatment Plant No.3 until year 2026.

In addition, if the CITY is successful in overturning the ban in court, this amendment will provide time to execute a new Custom Farming Agreement using the request for proposal process and/or amending existing contracts to maintain the biosolids management program.

The FANUCCHI contract amendment will also include a condition that if the application of biosolids ceases, it can be converted to a farm lease agreement. The Board of Public Works will be notified if this occurs.

This Contract Amendment No. 1 request is to:

- 1) extend the current contract time to three-one year contract agreements renewable each year with a condition that if the application of biosolids ceases, the contract agreement can be converted to a farm lease agreement and;
- 2) raise the contract ceiling cap from \$6.7 million to \$13.4 million.

IN AMENDMENT NO. 1:

- a) Article 7 is amended to extend the contract agreement for three years (three-one year) renewable each year.
- b) Article 4 and Article 10 are amended to address the rental of the portion of the FARM occupied by FANUCCHI's Mobile Home Trailer.
- c) Article 8 is amended to include a condition that if the application of biosolids ceases due to reasons stated in this Article, the CITY has the option to convert the contract agreement to a farm lease agreement.
- d) Article 10 is amended to include the adjustment of the custom farming operation cost using the CPI-U value published by the Bureau of Labor Statistics for the Los Angeles-Long Beach area.
- e) Attachment 1 is amended to include other custom farming operations and corresponding cost that are needed at the FARM.

MBE/WBE/OBE Subcontractor Outreach Program

At the time of distribution of the original RFP for this contract, the MBE/WBE/OBE Subcontractor Outreach Program was waived due to the limited number of subcontractors that are available in the area for farming services. However, FANUCCHI will be encouraged to use MBE/WBE/OBE firms whenever there are subcontracting opportunities.

The following requirements were filed with the CITY by the contractor:

- o Standard Provisions for CITY Personal Services Contracts;
- o Living Wage Ordinance;
- o Nondiscrimination/Equal Employment Practices/Affirmative Action;
- o American with Disabilities Act;
- o Insurance Requirements;
- o Child Support Obligations;
- o Business Tax Registration Certificate;
- o Equal Benefits Ordinance;
- o Slavery Disclosure Ordinance.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate CITY personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration (Department of Public Works) upon completion of this contract.

Contract Responsibility Ordinance

All contractors participating in this project are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #17377, [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

FUNDING HISTORY

Fiscal Year	Contractor	Expenditures	Contract Ceiling	New Contract Ceiling
04-05	FANUCCHI	\$2,127,000*	\$6,692,400	\$13,384,800
05-06	FANUCCHI	\$1,828,900		
06-07	FANUCCHI	\$1,108,800		
07-08	FANUCCHI			
08-09	FANUCCHI			
09-10	FANUCCHI			

*Some expenditures funds 761

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STATUS OF FINANCING

This contract includes a "Financial Liability Clause" which states that "the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract."

The estimated cost of this contract for one year is \$2,230,800 for all services pursuant to the contract. Total funding for this Amendment is \$6,692,400. Financing for the three extended years of the contract term will be requested for FY 07-08 through FY 09-10. The total contract cap is \$13.4 million.

For fiscal year 2006-07, expenditures to date are \$1,108,800 and funds in the amount of \$730,800 are available in Fund 760, Department 50, Account A282, Object 304. In addition, \$391,189 is still available in the encumbrances for the contract. Additional funds will be requested during the budget process for fiscal years 2007-2008, 2008-2009, and 2009-2010.


(EEA MAS SSF RPT TM WFB)

Respectfully submitted,


COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration


RITA L. ROBINSON, Director
Bureau of Sanitation
JOHN L. REAMER, JR. Director
Bureau of Contract Administration

APPROVED AS TO FUNDS:


CRAIG BLOOMQUIST, Director
Office of Accounting

Date: 4/6/07

Prepared by:
Ernesto F. Libunao, HTP
(310)648-5319

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 April 28, 2010

ADOPTED BY THE BOARD
 PUBLIC WORKS OF THE CITY
 of Los Angeles California
 AND REFERRED TO THE MAYOR
 APR 28 2010


 Secretary

CD: ALL

AUTHORITY TO EXECUTE AMENDMENT NO. 2 TO PERSONAL SERVICES CONTRACT
 NO. C-106805 WITH R & G FANUCCHI FARMS FOR THE CUSTOM FARMING OPERATIONS
 OF THE CITY OF LOS ANGELES' GREEN ACRES FARM

RECOMMENDATIONS

- * 1. Approve and forward this report with transmittals to the Mayor and the City Council for authority to execute Amendment No. 2 to Contract No. C-106805 with R & G Fanucchi Farms (FANUCCHI), to increase the contract cap from \$13.4 million to \$26.3 million (special funding available from Sewer Construction Maintenance and Operation (SCMO)) and extend the contract for two (2) terms, two (2) years for each term, renewable after the first two-year term (June 25, 2010 to June 24, 2014).
2. Upon the Mayor's and Council's authorization, the President or two members of the Board of Public Works (BOARD) will execute said contract Amendment No. 2.
3. Return the executed amendment to the Bureau of Sanitation (BUREAU) for further processing. Contact Alan Tran at (310) 648-5995 to arrange for pick up.

FISCAL IMPACT STATEMENT

This contract will be used for the custom farming of the City of Los Angeles' (CITY) Green Acres Farm (FARM). Financing for the extended contract will be requested for the succeeding four fiscal years. There is no general fund impact resulting from the proposed amendment.

TRANSMITTALS

1. Transmittals from the Mayor's Office, approving the execution of four consecutive 90-day sole source contracts with FANUCCHI.
2. Bureaus of Sanitation and Contract Administration Joint Board Report No. 1, adopted June 2, 2004, authorizing the execution of a personal services contract with FANUCCHI.
3. Bureaus of Sanitation and Contract Administration Joint Board Report No. 1, adopted April 13, 2007, authorizing the execution of Amendment No. 1 to Contract No. C-106805 with FANUCCHI.
4. Copy of the Council Action, Council File No. 07-1853, which authorized the Board to execute Amendment No. 1 to Contract No. C-106805 to increase the contract ceiling and extend the term of the contract.
5. Copy of proposed Amendment No. 2 to Contract No. C-106805.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
April 28, 2010

PAGE 3

In addition, FANUCCHI's management of FARM operations has been exceptional. By selling crops at prevailing crop prices and developing and implementing the annual farm plan, FANUCCHI continues to maximize crop yields, resulting in increased revenue to the CITY.

The FANUCCHI Contract Amendment No. 2 includes an option that if the application of biosolids ceases, this Amendment can be converted to a farm lease agreement. The BOARD will be notified if this occurs.

This Contract Amendment No. 2 shall:

- 1) Extend the current contract by two (2) terms, two (2) years for each term, renewable after the first two-year term. Should Measure E pass and the application of biosolids ceases, Amendment No. 2 can be converted to a farm lease agreement; and
- 2) Increase the contract ceiling cap from \$13.4 million to \$26.3 million.

MBE/WBE/OBE Subcontractor Outreach Program

At the time of distribution of the RFP for this contract, the Mayor's Office of Economic Development waived the MBE/WBE/OBE Subcontractor Outreach Program due to the lack of subcontracting opportunities in the area of farming services (Transmittal No. 6). However, the CITY will encourage FANUCCHI to use MBE/WBE/OBE firms should subcontracting opportunities arise.

Other City Requirements

FANUCCHI shall be required to comply with all of the CITY's requirements including:

- Nondiscrimination/Equal Employment Practices/Affirmative Action
- Living Wage and Service Contractor Worker Retention Ordinances
- Americans with Disabilities Act
- Insurance Requirements
- Child Support Obligations
- Business Tax Registration Certificate
- Equal Benefits Ordinance
- Slavery Disclosure Ordinance
- Municipal Lobbying Ordinance
- Non-collusion Affidavit
- City of Los Angeles Contract History
- Los Angeles Residence Information

BUREAU OF SANITATION
 BUREAU OF CONTRACT ADMINISTRATION
 JOINT BOARD REPORT NO. 1
 April 28, 2010

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FUNDING HISTORY

Fiscal Year	Contractor	Expenditures	Approved Budget	New Contract Ceiling
04-05	FANUCCHI	\$1,975,000		\$26,228,700
05-06	FANUCCHI	\$1,828,887		
06-07	FANUCCHI	\$1,931,682		
07-08	FANUCCHI	\$2,451,000		
08-09	FANUCCHI	\$2,880,953		
09-10	FANUCCHI		\$2,230,800	
10-11	FANUCCHI			
11-12	FANUCCHI			
12-13	FANUCCHI			
13-14	FANUCCHI			

STATUS OF FINANCING

The estimated cost of this Contract Amendment No. 2 for one year is \$3,000,000 for all services pursuant to the contract. Total funding for this amendment is \$12,930,400 (adjusted for 5% CPI escalation each year). Financing for the four extended years of the contract term will be requested through the annual budget from FY 10-11 to FY 13-14.

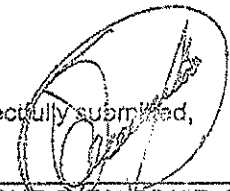
For Fiscal Year 2009-10 approved funds, in the amount of \$2,230,800, are available in Fund 760, Department 50, Account F282, Object 304. Additional funds will be requested during the budget process for fiscal years 2010-2011, 2011-2012, 2012-2013 and 2013-14.


This Contract Amendment No. 2 contains a "Financial Liability Clause" which states that "the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract."

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
April 28, 2010

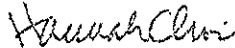
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Respectfully submitted,


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation



JOHN L. REAMER, JR., Director
Bureau of Contract Administration

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

APPROVED AS TO FUNDS:


CRAIG BLOOMQUIST, Director
Office of Accounting
Date: 4/28/10

Prepared by:
Alan Tran, Biosolids Section, HTP
(310)648-5995

Alan
4-28-10

CITY OF LOS ANGELES

CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

www.cityclerk.lacity.org

June 23, 2010

To All Interested Parties:

The City Council adopted the action(s), as attached, under
Council file No. 10-1011, at its meeting held June 22, 2010.


City Clerk
io

17

VERBAL MOTION

I HEREBY MOVE that Council AUTHORIZE the Board of Public Works to execute Amendment 2 to Contract No. 106805 with R&G Fanucchi Farms to increase the cost ceiling to \$26.3 million and extend the contract term to June 24, 2014 for farm management and custom farming at Green Acres Farm in Kern County.

PRESENTED BY _____
JOSE HUUIZAR
Councilmember, 14th District

PRESENTED BY _____
BILL ROSENDAHL
Councilmember, 11th District

June 22, 2010

CF 10-1011

ADOPTED

JUN 22 2010

LOS ANGELES CITY COUNCIL

FORTHWITH

TRANSMITTAL 6

C-106805-3

AMENDMENT NO. 3 TO
CONTRACT NO. C-106805

BETWEEN THE

CITY OF LOS ANGELES

AND

R & G FANUCCHI FARMS

(aka R & G FANUCCHI INC.)

FOR

CUSTOM FARMING OPERATIONS

OF THE CITY OF LOS ANGELES'

GREEN ACRES FARM

BUREAU OF SANITATION
DEPARTMENT OF PUBLIC WORKS
CITY OF LOS ANGELES

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GOOD FAITH EFFORT WAIVER REQUEST FORM

TRANSMITTAL 7

DEPARTMENT: PUBLIC WORKS
DIVISION/UNIT: HYPERION TREATMENT DIVISION

DATE: 30-Oct-03
TO: LA OPS, MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT
ATTN: MARIO MARIN, DIRECTOR
FROM: Ernesto F. Libunao
Phone: (310) 648-5319 Fax: (310) 648-5070

SUBJECT: WAIVE MBE/WBE/OBE GOOD FAITH EFFORT REQUIREMENTS FOR CONTRACT NO. RFP
In compliance with Executive Directive No. 2001-26, City of Los Angeles Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Program, please fill out the following:

- 1. Title of Project: Custom Farming Services at the Green Acres Farm
- 2. This project will be advertised as an: RFB RFP RFO
- 3. Type of Contract: Procurement Personal Services
Construction Other
- 4. Projected total amount of the contract: \$2.3M/yr Estimated duration of project: 3 years

5. Significant Dates:
Estimated date of pre-bid or job walk meeting: _____
Estimated date that bids or proposals are due: 19-Jan-04

6. Recommendation: MBE/WBE/OBE encouragement

Justify why encouragement:

_____ Technical Requirement _____ Lack of available subcontractors _____ Emergency Response
_____ Lack of available subcontract sub-supply opportunities _____ One product single point of distribution

Other: There are very limited number of contractor/subcontractors that are available in the area for the farming services needed at the farm.

7. Is this a: New Contract _____ Renewal _____ Other

8. Name of previous contractor: R&G Fanucchi Farms Length of previous contract: 6 months Value of previous: \$225T/mo.

TO: _____
ATTN: _____
FROM: LA OPS, MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT
SUBJECT: RESPONSE TO ABOVE REQUEST

A Recommendation Approved MM Initials
_____ Recommendation Disapproved _____ Initials

Comment: _____

By: Mario Marin Date: 11/5/03 Tel. No.: 8-0686

*Please send copy of RFP
to our office ASAP.
Thank you.*

AMENDMENT NO. 3 TO
CONTRACT NO. C-106805
FOR CUSTOM FARMING OPERATIONS
OF THE CITY OF LOS ANGELES' GREEN ACRES FARM

This Amendment No. 3 to Contract No. C-106805 is made and entered into by and between the City of Los Angeles, a municipal corporation, acting by order of and through its Board of Public Works (hereinafter called "CITY") and R & G FANUCCHI FARMS (aka R & G FANUCCHI, INC.), a corporation, (hereinafter called "FANUCCHI"), and is set forth as follows;

WITNESSETH

WHEREAS, the CITY and its Bureau of Sanitation (Bureau) are committed to finding innovative and creative means of beneficially using its BIOSOLIDS; and

WHEREAS, BIOSOLIDS are nutrient rich organic material, generated in the treatment of wastewater, that can be beneficially used; and

WHEREAS, the CITY currently produces approximately 665 wet tons per day of Class A "Exceptional Quality" (Class A "EQ") BIOSOLIDS at the Hyperion Treatment Plant and Terminal Island Water Reclamation Plant; and

WHEREAS, the CITY's BIOSOLIDS meet U.S. EPA's regulations and state guidelines for composting and land application; and

WHEREAS, the CITY's BIOSOLIDS are known to contain nitrogen and other nutrients making it rich in organic matter and thereby making it a highly desirable soil amendment; and

WHEREAS, the CITY owns the Green Acres Farm (FARM), described as the 4,688 acres of land adjacent to Interstate 5 just south of Taft Highway in Bakersfield, California; and

WHEREAS, the CITY applies its BIOSOLIDS as soil amendment/fertilizer at the FARM and utilizes the secondary treated effluent from the City of Bakersfield's Wastewater Treatment Plant No. 3 as irrigation water; and

WHEREAS, the CITY has been involved in the Measure E lawsuit with Kern County since 2006, when Kern County voters adopted Measure E, the Biosolids Land Application Ban Initiative Ordinance (Ban). The Ban would prohibit the land application of biosolids and bulk biosolids compost on the unincorporated lands in Kern County; and

WHEREAS, on July 25, 2011, the CITY received the final signed order from the Superior Court of the State of California for the County of Tulare (Tulare Superior Court) granting the

CITY's motion for a preliminary injunction to allow land application of BIOSOLIDS at the FARM to continue while the Measure E lawsuit is pending; and

WHEREAS, Kern County filed a notice of appeal with the Tulare Superior Court against the CITY's motion for a preliminary injunction granted by the Tulare Superior Court on September 8, 2011; and

WHEREAS, on February 13, 2013, the CITY prevailed at the Appellate Court level regarding Kern County's appeal of the preliminary injunction pending the outcome of the State Court Measure E lawsuit. This decision allows the CITY to continue operations at the FARM while the State litigation is being considered; and

WHEREAS, FANUCCHI has a current agreement (C-105805-2) with the CITY for the period from July 26, 2010 to July 25, 2014 for the custom farming operations of the FARM; and

WHEREAS, FANUCCHI has demonstrated the ability and has agreed to continue to provide custom farming operations of the CITY's FARM in an environmentally sound manner in accordance with all applicable laws, regulations, rules, and other requirements of local, state, and federal governments; and

WHEREAS, in consideration of FANUCCHI's past performance and the CITY's desire to retain a reliable contractor, this Amendment has been made and the parties agree to carry out the changes/amendment of this Amendment No. 3 to Contract No. C-106805; and

WHEREAS, the total cost ceiling for all the fees and services identified in the original Agreement, Amendment No. 1, Amendment No. 2 and Amendment No. 3 is \$55,187,000.

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this Agreement, it is understood and agreed by and between the parties hereto as follows:

ARTICLE 1 – SECTION HEADINGS

No change to this Article.

ARTICLE 2 – DEFINITIONS

Modify the definition to read as follows:

Agreement/Contract	This contractual agreement between R & G Fanucchi Farms and the City of Los Angeles
--------------------	---

ARTICLE 3 – PROJECT DESCRIPTION

No change to this Article.

ARTICLE 4 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY FANUCCHI

Add Sub-article 4.64 to read as follows:

4.64 Maintenance of Records

FANUCCHI shall maintain all records, in their original form, pertaining to the performance of this Agreement, including records of financial transactions. These records shall be retained for a period of no less than three (3) years following final payment made by the CITY hereunder or the expiration date of this Agreement, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this Agreement and within the three (3) years following final payment made by the CITY hereunder or the expiration date of this Agreement, whichever occurs last. FANUCCHI shall provide any reports requested by the CITY regarding performance of this Agreement. Any subcontract entered into by FANUCCHI, as authorized under the terms of this Agreement, shall include a like provision for work to be performed under this Agreement.

ARTICLE 5 – KEY PERSONNEL

No change to this Article.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY THE CITY

No change to this Article.

ARTICLE 7 – TERM OF AGREEMENT

Modify this Article to read as follows:

This Amendment No. 3 shall be for five (5) years with an option to renew for an additional one (1) term of three years to be exercised at the CITY's sole discretion. The Amendment shall be effective on July 26, 2014 or upon execution of by all parties hereto, whichever is later.

ARTICLE 8 – TERMINATION

No change to this Article

ARTICLE 9 – SUBCONTRACT APPROVAL

No change to this Article.

ARTICLE 10 – COMPENSATION, INVOICING AND PAYMENT

Modify Sub-article 10.5 to read as follows:

10.5 Adjustment to Payment

Should FANUCCHI suffer substantial increased cost associated with the services it is providing pursuant to this Agreement, which are outside its control, FANUCCHI can petition the CITY for an increase in the cost paid by the CITY. FANUCCHI agrees to provide the CITY with substantiated written documentation to support its request for any increase in the cost paid by the CITY. The CITY shall have the right to review the documentation and agree to pay either the requested increase or a different negotiated amount or deny FANUCCHI's request. Examples of increase costs outside of FANUCCHI's control include such item as fuel price increases.

Any cost increase granted by the CITY shall be retroactive to the date FANUCCHI incurred the increased cost, but not retroactive to a date before FANUCCHI notified the CITY of said increased cost. The prices for services provided by FANUCCHI (Attachment 1) were based on Diesel priced at \$1.10 per gallon or below (from original contract).

The rates and fees on Custom Farming Operations as specified in Attachment 1 shall be adjusted for the period from July 26, 2014 to July 25, 2015 based on the Consumer Price Index (CPI-U) with a cap of 5% each year. The rates and fees will be adjusted yearly for the succeeding anniversary date which will start on July 26, 2015, which will reflect the cumulative changes in the CPI-U.

The rates and fees of this Agreement will be adjusted by the CPI-U index annually with a cap of 5% each year during the term of this Agreement and will be calculated as specified herein subject to the City's discretion under Article 10.5. The CPI-U will be the value published by the Bureau of Labor Statistics, U.S. for the Los Angeles-Riverside-Orange County area.

On each anniversary starting on July 26, 2015 the rates and fees specified in Attachment 3 shall be adjusted in accordance with the inflation factor as follows:

$$IN = [(CPI-U1) / (CPI-U2)]$$

Where:

IN = The annual inflation factor

CPI-U1 = The published CPI-U as of the adjustment date
CPI-U2= The published CPI-U as of the execution date of this amendment.

Modify Sub-article 10.7 to read as follows:

10.7 The total cost ceiling for all the fees and services identified in the original Agreement, Amendment No. 1, Amendment No. 2 and Amendment No. 3 is \$55,187,000.

ARTICLE 11 – AMENDMENTS, CHANGES OR MODIFICATION

No change to this Article.

ARTICLE 12 – INDEMNIFICATION

No change to this Article

ARTICLE 13 – INDEPENDENT CONTRACTORS

No change to this Article.

ARTICLE 14 – WARRANTY

No change to this Article.

ARTICLE 15 – OWNERSHIP AND LICENSE

No change to this Article

ARTICLE 16 – CONDITION OF PROPERTY

No change to this Article.

ARTICLE 17 – NONDISCRIMINATION AND AFFIRMATIVE ACTION

No change to this Article.

ARTICLE 18 – MINORITY, WOMEN AND OTHER BUSINESS ENTERPRISE
OUTREACH PROGRAM

No change to this Article.

ARTICLE 19 – SUCCESSORS AND ASSIGNS

No change to this Article.

ARTICLE 20 – CONTACT PERSONS – PROPER ADDRESSES - NOTIFICATION

Modify this article to read as follows:

All notices shall be made in writing and may be given by personal delivery or by mail. Such notices sent by mail should be sent to the designated contact person for each party and addressed as follows:

To the CITY

Mark Starr, Sr. Environmental Engineer
Bureau of Sanitation - Hyperion Treatment Plant
Attn: Emmanuel E. Alloh, Environmental Engineer
12000 Vista Del Mar
Playa Del Rey, California 90293
(310) 648-5211

To FANUCCHI

Robert Fanucchi
R & G FANUCCHI FARMS
19296 Nord Avenue
Shafter, CA 93263
(661) 664-6773

ARTICLE 21– FORCE MAJEURE

No change to this Article.

ARTICLE 22 – SEVERABILITY

No change to this Article.

ARTICLE 23 – DISPUTES

No change to this Article.

ARTICLE 24 – ENTIRE AGREEMENT

No change to this Article.

ARTICLE 25 – APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Modify this article to read as follows:

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the CITY including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Agreement and its performance shall be enforced and interpreted under the laws of the State of California. All causes of action arising directly or indirectly from the business relationship evidenced by this Agreement must be filed in the appropriate state or federal court located in Los Angeles County, California, and each party agrees to be subject to the jurisdiction of the State of California regardless of their residence. CONTRACTOR shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement.

If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining parts, terms or provisions of the Agreement shall not be affected thereby.

ARTICLE 26 – CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

No change to this Article.

ARTICLE 27 – EQUAL BENEFITS ORDINANCE

No change to this Article.

ARTICLE 28 – CHILD SUPPORT ASSIGNMENT ORDERS

No change to this Article.

ARTICLE 29 – AMERICANS WITH DISABILITIES ACT

No change to this Article.

ARTICLE 30 – LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

No change to this Article

ARTICLE 31 – SLAVERY DISCLOSURE ORDINANCE

No change to this Article.

ARTICLE 32 – INSURANCE

Modify this article to read as follows:

During the term of this Contract and without limiting the FANUCCHI's indemnification of the CITY, FANUCCHI shall provide and maintain at its own expense during the term of this Contract a program of insurance having the coverage and limits customarily carried and actually arranged by FANUCCHI but not less than the amounts and types listed on the Insurance Requirements Sheet (Form Gen 146/IR), in Attachment 6 hereto, covering its operations hereunder. Such insurance shall conform to CITY requirements as established by Charter, ordinance, or policy and shall comply with the instructions set forth, in Attachment 6, and which can also be found at the Board of Public Work's website: <http://bpw.lacity.org/Secretariat/Insurance.html>, in the form Instructions and Information on Complying with CITY Insurance Requirements, rev 05/12, and shall otherwise be in a form acceptable to the City Administrative Officer, Risk Management. The FANUCCHI shall comply with all insurance Contractual Requirements shown on Attachment 6 hereto. Attachment 6 is hereby incorporated by reference and made a part of this Contract.

ARTICLE 33 - WAIVER

No change to this Article.

ARTICLE 34- PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

No change to this Article.

ARTICLE 35 - PERMITS

No change to this Article.

ARTICLE 36 - CLAIMS FOR LABOR AND MATERIALS

No change to this Article.

ARTICLE 37- CONTRACTOR RESPONSIBILITY ORDINANCE

No change to this Article.

ARTICLE 38 – DISCOUNT TERMS

No change to this Article.

ARTICLE 39 - INTELLECTUAL PROPERTY INDEMNIFICATION

No change to this Article.

ARTICLE 40 - INTELLECTUAL PROPERTY WARRANTY

No change to this Article.

ARTICLE 41 – BREACH

No change to this Article.

ARTICLE 42 - MUNICIPAL LOBBYING ORDINANCE

No change to this Article.

ARTICLE 43 - CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

No change to this Article.

(Add) ARTICLE 44 – FIRST SOURCE HIRING ORDINANCE

Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the Los Angeles Administrative Code, as amended from time to time.

FANUCCHI shall, prior to the execution of the Contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that FANUCCHI estimate they will need to fill in order to perform the services under the Contract. The Department of Public Works Office of Contract Compliance is the DAA.

FANUCCHI further pledges that it will, during the term of the Contract, shall a) At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the FANUCCHI shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who FANUCCHI interviewed and the reasons why referred individuals were not hired.

Any Subcontract entered into by FANUCCHI relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.

FANUCCHI shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the Designated Administrative Agency has determined that FANUCCHI intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the CITY'S authority to act under this article.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this Contract and otherwise pursue legal remedies that may be available if the Designated Administrative Agency determines that the subject contractor has violated provisions of the FSHO.

(Add) ARTICLE 45 - COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/FUNDRAISING

The Contractor, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected CITY officials or candidates for elected CITY office if the contract is valued at \$100,000 or more and requires approval of a CITY elected official. Additionally, FANUCCHI is required to provide and update certain information to the CITY as specified by law. Any Contractor subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this Contract:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies includes fines. Information about the restrictions

may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

Contractor, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the CITY to terminate this Agreement and pursue any and all legal remedies that may be available.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the above date and warrant respectively that each as full right and authority to so act.

APPROVED AS TO FORM:
MIKE FEUER, City Attorney

By: _____
JOHN A. CARVALHO
Assistant City Attorney

Date: _____

R & G FANUCCHI FARMS
(aka R & G FANUCCHI INC.)

By: _____
ROY FANUCCHI
Owner

Date: _____

By: _____
GEORGE FANUCCHI
Co-Owner

Date: _____

CITY OF LOS ANGELES

By: _____
CAPRI W. MADDUX
President, Board of Public Works

Date: _____

By: _____
ROBERT FANUCCHI
Partner

Date: _____

Attest
JUNE LAGMAY, City Clerk

By: _____
Deputy City Clerk

Date: _____

ATTACHMENT 1

R & G Fanucchi Farms

Rates and Fees on Custom Farming Operations
Effective July 26, 2012

<u>Operation</u>	<u>Cost</u>	
Disc and collipack	\$ 15.34/acre	
Disc	\$ 14.25/acre	
Stubble disc	\$ 17.53/acre	
Stubble disc & collipack	\$ 19.72/acre	
Plant Corn and/or Milo	\$ 14.25/acre	
Plant Wheat and Sudan	\$ 13.15/acre	
Borders	\$ 12.05/acre	
Biosolids' Land Spreading	\$10.43/wet ton	
Irrigation (All crops except Alfalfa) \$16.44/acre		
Includes making and knocking in ditches and use of backhoe to prepare fields for irrigation.		
Alfalfa Irrigation \$ 14.25/acre		
Includes making and knocking in ditches and use of backhoe to prepare fields for irrigation.		
Rip	\$ 1.10/inch	
Landplane	\$ 13.15/acre	
Plow	\$ 23.01/acre	
Furrows	\$ 12.05/acre	
1st cultivation	\$ 14.25/acre	
Fertilize with bar	\$ 13.15/acre	
Cultivation or Work Beds	\$ 12.05/acre	
Collipack	\$ 8.76/acre	
Collipacker (Add)	\$ 3.29/acre	
Spraying Round-Up	\$ 10.95/acre	
Clean-up disc	\$ 38.34/hour	Clean edges of fields
Scraping	\$ 38.34/hour	Roads and edges of fields
Backhoe	\$ 38.34/hour	Dig out pipelines & clean-up
Grader	\$ 38.34/hour	Roads and edges of fields
Man Miscellaneous	\$ 13.69/hour	
Water Roads	\$ 38.34/hour	
Pumping Out Pipelines	\$ 27.39/hour	
Cementing Ditch Edges	\$ 27.39/hour	
Burning Weeds	\$ 49.30/hour	
Spraying Weeds	\$ 49.30/hour	
Ditches	N/C	Included with Irrigation

Pump out Ditches	N/C	Included with Irrigation
Truck	N/C	Included with Irrigation
Landleveling	\$ 98.61/acre	(Written approval needed)
Sloper/Grader	\$104.35/hour	(Written approval needed)
Management Fee	\$27,299.78/month	

Note: The above prices are based on Diesel priced at \$1.10 per gallon.

ATTACHMENT 2

CUSTOM FARMING OPERATIONS TERMS AND DEFINITIONS:

Backhoe	In farming term, to open up and fix breaks to allow water to flow by the use of a backhoe.
Biosolids' Land Spreading	Spreading and incorporation of Biosolids into the soil.
Borders	To prepare the outer part or edge of the field to keep the water inside the field.
Burning Weeds	To burn dry tumbleweeds to clean-up areas. Tractor, propane burner, and two workers are involved in this operation.
Cement Ditch Edges	This includes the hauling of materials, preparation, and pouring concrete on the ditch edges.
Collipack	Used two ways: smashes clods behind disc or ripper and to hold moisture before or after planting a crop.
Collipacker (Add-On)	The addition or use of collipacker as add-on to a tractor to be used at the same time with either the ripper or cultivator.
Cultivation	The act of tilling the soil to loosen or break up the soil in preparation for raising crops.
Disc	Turns soil and clear fields of weeds. Use also to break up clods and to smooth dirt out.
Disc and Collipack	To break up clods and smash the clods into small pieces.
Ditches	In farming, the putting up and knocking down of a long narrow excavation dug in the earth for irrigation.
Fertilize	To apply fertilizer to make the soil produce crops in great quantities.
Furrow	A trench or narrow groove on the field made to irrigate the field uniformly using siphons.
Irrigate	Watering the plants or to wet the soil by supplying water by artificial means.
Landplane	Levels the ground out so water will flow. Blade is pulled by a tractor and fills in holes in field.
Landleveling	To bring the fields to normal falls to enhance the field's irrigation. Normally, there is .08-.10 inch fall in each field, also perimeter roads will be approximately one foot above field level.
Plant	To set or sow with seeds for growth.
Plow	To turn, break up, to cut into, open, or make furrows or ridges with a plow.
Pump Out Ditches	To remove the water from the ditches. This is done before knocking down the ditches to be able to move around the field.
Rip	To split the ground apart using a tractor pulling shanks into ground for water penetration.

Pumping Out Pipelines	To remove the pipeline contents to prepare it for maintenance and/or repair.
Sloper/Grader	An arm of the grader used to basically slope and clean the inside of the ditches.
Spray Weeds	To kill the weeds around ditches and edges of fields.
Spraying Round-Up	To spray round-up on the round-up ready corn.
Stubble Disc	To conserve moisture and to incorporate the organic matter to the soil (the stalks of plant attached to the soil).
Stubble Disc and Collipack	The incorporating of organic matter to the soil by the use of a disc and breaking the clods into small pieces.
Work Beds	This will let beds breathe and clean up any weeds the ground has before planting.